



SACHI A. HAMAI  
Chief Executive Officer

## County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration  
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*"To Enrich Lives Through Effective And Caring Service"*

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Fifth District

October 11, 2016

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

# ADOPTED

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

12 October 11, 2016

LORI GLASGOW  
EXECUTIVE OFFICER

**LEASE AMENDMENT  
DEPARTMENT OF PUBLIC SOCIAL SERVICES  
21415-21615 PLUMMER STREET, CHATSWORTH  
(FIFTH DISTRICT)  
(3 VOTES)**

### SUBJECT

A seven-year lease amendment for approximately 164,500 square feet of office space, and 576 on-site parking spaces for the Department of Public Social Services to provide continued use of the existing facility.

### **IT IS RECOMMENDED THAT THE BOARD:**

1. Find that the proposed lease amendment is categorically exempt from the provisions of the California Environmental Quality Act pursuant to Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by the Board of Supervisors, per Section 15301 of the State of California Environmental Quality Act Guidelines (Existing Facilities).
2. Approve and instruct the Chair to sign the seven-year amendment to the lease agreement with GECMC 2005-C2 Plummer Office Limited Partnership, for the Department of Public Social Services to continue occupancy of approximately 164,500 square feet of office space and 576 on-site parking spaces at 21415-21615 Plummer Street, Chatsworth, at an initial maximum rental cost of \$3,849,300, of which currently 92.3 percent is funded by State and federal subvention and 7.7 percent is net County cost.

3. Authorize and direct the Chief Executive Officer or her designee to execute any other ancillary documentation necessary to effectuate the lease amendment, and authorize the Chief Executive Officer and the Director of Public Social Services or their designees to take actions necessary and appropriate to implement the project.

### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

Since December 1, 2000, the Department of Public Social Services (DPSS) has leased 164,500 square feet of office space, and 576 on-site parking spaces at this location, which serves as the Region II District Office.

This direct service operation of DPSS, housed within two buildings of the office complex, provides California Work Opportunity and Responsibility to Kids (CalWORKS), CalFresh, Medi-Cal, In-Home Support Services (IHSS), and Greater Avenues for Independence (GAIN), to residents of the West San Fernando Valley and surrounding areas. The buildings will house approximately 682 staff positions and service an average of 650 participants visiting the complex on a daily basis.

The 21415 Plummer building houses CalWORKS, CalFresh and GAIN. The CalWORKS District office provides temporary financial assistance, including medical benefits, and employment-focused services to families with minor children who have income and property below State maximum limits for their family size. The CalFresh program helps eligible low income participants meet their basic nutritional needs by increasing their food purchasing power.

The GAIN program provides case management services to eligible participants to prepare for and find employment, including job-finding workshops, supervised job search, vocational assessment, remedial education, vocational skills training, and work experience. Post-employment services are also available to help employed participants retain and work toward better jobs, and ultimately move to financial independence. GAIN also offers help with transportation, child care, job-related expenses such as uniforms and tools, as well as counseling pertaining to domestic violence, substance abuse, and mental health issues.

The 21615 Plummer building houses the local Medi-Cal program which provides medical benefits to low income families with children, pregnant women, and adults over 65, blind, or disabled. This building also houses the IHSS North West Region Area Program, which provides support services to eligible participants 65 years of age or over, disabled adults and children, or legally blind individuals so they can remain self-reliant and safe in their homes.

Approval of the proposed amendment will provide DPSS the continued occupancy of the facility for the uninterrupted delivery of programs and services to the affected constituency within Service Area 2. Parking is provided in a surface lot adjacent to the facility which is also near public transportation routes.

### **Implementation of Strategic Plan Goals**

The Countywide Strategic Plan Goal of Operational Effectiveness/Fiscal Sustainability (Goal 1) directs that we maximize the effectiveness of processes, structure, operations, and strong fiscal management to support timely delivery of customer-oriented and efficient public services. In this case, the proposed lease amendment supports this goal by providing services that enhance families' opportunities to achieve self-sufficiency and economic well-being. The lease amendment is in conformance with the Asset Management Principles as outlined in Attachment A.

### **FISCAL IMPACT/FINANCING**

The proposed lease amendment will provide DPSS the uninterrupted use of approximately 164,500 square feet of office space, and 576 on-site parking spaces at an initial annual base rent of \$3,849,300, i.e., \$1.95/\$23.40 per square foot per month/annually on a full-service gross basis. The base rental rate reduction of \$.04/\$.53 per square foot per month/annually from the existing rent represents a potential savings of \$607,320 over the term of the lease. In addition, a Tenant Improvement (TI) allowance of \$1,233,750 is included in the base rent for improvement of the premises. Attachment B is an overview of the proposed changes in the lease.

Sufficient funding for the proposed lease costs is included in the Fiscal Year (FY) 2016-17 Rent Expense budget, and will be billed back to DPSS. DPSS has sufficient funding in their FY 2016-17 operating budget to cover the projected lease costs. The costs for DPSS are currently 92.3 percent funded by State and federal subvention and 7.7 percent net County cost.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The proposed lease amendment contains the following provisions:

- The lease amendment will be effective upon approval by the Board of Supervisors.
- A full-service gross lease amendment whereby the Landlord is responsible for operational and maintenance costs of the facilities.
- A Base TI allowance of \$1,233,750, or \$7.50 per square foot, included in the base rental rate for improvement of the premises.
- A cancellation provision allowing the County to cancel at the 60th month of the extended lease term with 120 days prior written notice.
- Annual rental rate adjustments of 3 percent per annum.
- The County will have one seven-year option to extend the lease at the same terms and conditions.

The Chief Executive Office (CEO) Real Estate Division staff conducted a market survey within the project area to determine the availability of comparable and more economical sites. Staff was unable to identify any sites in the survey area that could accommodate this requirement. Based upon a review of available industry data, staff has established that the annual rental range for similar space is between \$20.40 and \$36.60 per square foot per year on a full-service gross basis, excluding parking. Thus, the base annual rent of \$23.40 per square foot per year full-service gross, including parking, for the proposed lease amendment represents a rate within the market range for the area. Attachment C shows County-owned or leased facilities in the proximity of the service area, and there are no suitable County-owned or leased facilities available for the program.

The proposed lease amendment will provide a central and appropriate location for the programs, which is consistent with the County's Facility Location Policy, adopted by the Board of Supervisors on July 24, 2012, as outlined in Attachment D.

The Department of Public Works has inspected this facility and found it suitable for the County's occupancy. Notification letters have been sent pursuant to Government Code Sections 25351 and 65402.

#### **ENVIRONMENTAL DOCUMENTATION**

The CEO has concluded that this project is exempt from the California Environmental Quality Act (CEQA) as specified in Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by the Board of Supervisors, and Section 15301 of the State CEQA Guidelines (Existing Facilities).

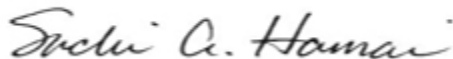
#### **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

The proposed lease amendment will adequately provide the necessary office space for this County requirement. DPSS concurs with the proposed recommendation.

**CONCLUSION**

It is requested that the Executive Office, Board of Supervisors, return three originals of the executed lease amendment, two certified copies of the Minute Order, and the adopted, stamped Board letter to the CEO, Real Estate Division at 222 South Hill Street, 4th Floor, Los Angeles, CA 90012 for further processing.

Respectfully submitted,

A handwritten signature in cursive script that reads "Sachi A. Hamai".

SACHI A. HAMAI  
Chief Executive Officer

SAH:DPH:CMM  
TS:NCH:gw

Enclosures

c: Executive Office, Board of Supervisors  
County Counsel  
Auditor-Controller  
Public Social Services  
Internal Services

**DEPARTMENT OF PUBLIC SOCIAL SERVICES**  
**21415-21615 PLUMMER STREET, CHATSWORTH**  
**Asset Management Principles Compliance Form<sup>1</sup>**

<b>1.</b>	<b><u>Occupancy</u></b>		<b>Yes</b>	<b>No</b>	<b>N/A</b>
A	Does lease consolidate administrative functions? <sup>2</sup>				<b>X</b>
B	Does lease co-locate with other functions to better serve clients? <sup>2</sup>		<b>X</b>		
C	Does this lease centralize business support functions? <sup>2</sup>				<b>X</b>
D	Does this lease meet the guideline of 200 sq. ft of space per person? <sup>2</sup> <b>Ratio is approximately 241 square feet per person which allows for two oversized lobby processing areas up to a combined 10,000 square feet as well as group and community rooms in addition to ancillary and administrative office space.</b>			<b>X</b>	
E	Does lease meet the 4/1000 sq. ft. parking ratio guideline? <sup>2</sup> <b>576 spaces (existing lot to be modified to accommodate approximately 20 additional parking spaces.)</b>			<b>X</b>	
F	Does public parking and mass-transit exist to facilitate employee, client and visitor access to the proposed lease location? <sup>2</sup>		<b>X</b>		
<b>2.</b>	<b><u>Capital</u></b>				
A	Is it a substantial net County cost (NCC) program? <b>DPSS is 92.3% funded by State and federal funds in FY 2016-17.</b>			<b>X</b>	
B	Is this a long term County program?		<b>X</b>		
C	If yes to 2 A or B; is it a capital lease or an operating lease with an option to buy?			<b>X</b>	
D	If no, are there any suitable County-owned facilities available?			<b>X</b>	
E	If yes, why is lease being recommended over occupancy in County-owned space?				<b>X</b>
F	Is Building Description Report attached as Attachment C?		<b>X</b>		
G	Was build-to-suit or capital project considered? <b>The County already occupies the facility and a capital project was not considered.</b>			<b>X</b>	
<b>3.</b>	<b><u>Portfolio Management</u></b>				
A	Did department utilize CEO Space Request Evaluation (SRE)?		<b>X</b>		
B	Was the space need justified?		<b>X</b>		
C	If a renewal lease, was co-location with other County departments considered?		<b>X</b>		
D	Why was this program not co-located?				<b>X</b>
	1. ____ The program clientele requires a "stand alone" facility.				
	2. ____ No suitable County occupied properties in project area.				
	3. ____ No County-owned facilities available for the project.				
	4. ____ Could not get City clearance or approval.				
	5. <b><u>X</u></b> The Program is being co-located.				
E	Is lease a full service lease? <sup>2</sup>		<b>X</b>		
F	Has growth projection been considered in space request?		<b>X</b>		
G	Has the Dept. of Public Works completed seismic review/approval?		<b>X</b>		
<sup>1</sup> As approved by the Board of Supervisors 11/17/98					
<sup>2</sup> If not, why not?					

**FISCAL IMPACT / FINANCING  
OVERVIEW OF LEASE CHANGES**

<b>21415-21615 Plummer Street, Chatsworth</b>	<b>Existing Lease/ First Amendment</b>	<b>Proposed Lease/ Second Amendment</b>	<b>Change</b>
Area (square feet)	164,500	164,500	None
Term	(03/14/2000-03/15/2016) currently on month-to-month holdover	Seven years upon Board adoption	+ 7 years
Annual Base Rent <sup>(1)</sup>	\$3,936,060 (\$23.93/sq.ft.)	\$3,849,300* (\$23.40/sq.ft.)	-\$86,760 (-\$.53/sq.ft.)
Base TI Allowance (non-reimbursable)	New Carpet and Paint	\$1,233,750 (\$7.50/sq.ft.)	+\$1,233,750 (+\$7.50/sq.ft.)
Cancellation	County at 5 <sup>th</sup> year with 12 months notice	County at 5 <sup>th</sup> year with 120 days notice	- 240 days notice
Parking (included)	576 spaces	576 spaces	None
Option to Renew	No option	One 7-year option	One 7-year option
Rental Adjustment	Auto increases of 3 percent of Base Rent	Auto increases of 3 percent of Base Rent	None

<sup>(1)</sup> Lease comprised of 164,500 square feet of office space at new rate of \$1.95psf per month.

**DEPARTMENT OF PUBLIC SOCIAL SERVICES  
SPACE SEARCH – 5-MILE RADIUS FROM EXISTING OFFICE**

LACO	FACILITY NAME	ADDRESS	GROSS SQFT	NET SQFT	OWNERSHIP	SQFT AVAILABLE
X165	CHATSWORTH COURTHOUSE	9425 PENFIELD AVE, CHATSWORTH 91311	302,435	182,589	FINANCED	NONE
A637	DPSS - MEDI CAL (NORTHRIDGE)	9451 CORBIN AVE, NORTHRIDGE 91324	57,799	54,909	LEASED	NONE
A652	DCFS CHASTWORTH OFFICE	20151 NORDHOFF ST CHASTWORTH 91311	73,595	69,915	LEASED	NONE
A624	BOS-FIELD OFFICE DISTRICT 5	21943 PLUMMER ST, CHATSWORTH	2,550	2,423	LEASED	NONE
5872	DHS-CANOGA PARK HEALTH CENTER (P/PP SITE)	7107 REMMET AVE, CANOGA PARK 91303	5,308	3,094	OWNED	NONE
A664	DMH-WELLNESS CENTER	6800 OWENSMOUTH, CANOGA PARK 91303-3159	5,665	5,382	LEASED	NONE
A671	DMH-WELLNESS CENTER	10515 BALBOA BLVD, GRANADA HILLS 91344-6343	3,588	3,409	LEASED	NONE
A671	DMH-WELLNESS CENTER	10515 BALBOA BLVD, GRANADA HILLS 91344-6343	4,403	4,183	LEASED	NONE
A316	SHERIFF-NORTH HILLS T.R.A.P. UNIT	8353 N SEPULVEDA BLVD, NORTH HILLS 91343	1,500	1,500	LEASED	NONE
D310	DPSS-EAST VALLEY WS DISTRICT OFFICE	14545 LANARK ST, PANORAMA CITY 91402	96,360	39,588	OWNED	39,588
A213	PH-NORTH DISTRICT HEALTH FACILITIES OFFICE	15643 SHERMAN WAY, VAN NUYS 91406	3,712	3,600	LEASED	NONE
6359	MID VALLEY-SAN FERNANDO VALLEY SERVICE CENTER	7555 VAN NUYS BLVD, VAN NUYS 91405	17,698	10,623	OWNED	NONE
10005	ZEV YAROSLAVSKY-SAN FERNANDO VALLEY SERVICE CENTER	7555 VAN NUYS BLVD, VAN NUYS 91405	216,539	205,710	OWNED	NONE
A383	PH-SAN FERNANDO DISTRICT ENVIRONMENTAL HEALTH	6851 LENNOX AVE, VAN NUYS 91405	7,537	7,160	LEASED	NONE
F631	PW FLOOD-SATICOY YARD BUILDING 4 OFFICE	13444 SATICOY ST, NORTH HOLLYWOOD 91601	2,400	2,280	OWNED	NONE
A491	PROBATION-VAN NUYS AREA JUVENILE SERVICES	14540 HAYNES ST, VAN NUYS 91411	13,500	11,475	LEASED	NONE
A565	APD - VAN NUYS OFFICE	14553 DELANO ST, VAN NUYS 91401	3,878	3,684	LEASED	NONE
4400	VAN NUYS COURTHOUSE - WEST	14400 ERWIN ST MALL, VAN NUYS 91401	320,391	172,053	FINANCED	NONE
5273	VAN NUYS COUNTY ADMINISTRATIVE CENTER BUILDING	14340 W SYLVAN ST, VAN NUYS 91401	9,849	6,992	OWNED	NONE
Y476	VAN NUYS COURTHOUSE-BUILDING E	6280 SYLMAR AVE, VAN NUYS 91401	3,373	1,987	OWNED	NONE
A145	CHILD SUPPORT SERVICES-DIVISION I HEADQUARTERS	15531 VENTURA BLD, ENCINO 91436-3157	45,775	30,602	LEASED	NONE
4705	PROBATION-EAST SAN FERNANDO VALLEY AREA OFFICE	14414 W DELANO ST, VAN NUYS 91401	15,825	8,362	OWNED	NONE
7278	VAN NUYS COURTHOUSE - EAST	6230 SYLMAR AVE MALL, VAN NUYS 91401	180,296	117,198	OWNED	NONE
Y442	VAN NUYS COURTHOUSE-TRAILER F	14400 W DELANO ST, VAN NUYS 91401	11,037	6,470	OWNED	NONE
5858	PH-PACOIMA PUBLIC HEALTH CENTER	13300 VAN NUYS BLVD, PACOIMA 91331	5,404	3,098	OWNED	NONE
A608	BOS/DPW ET AL-ONE STOP SHOP (VARIOUS DEPTS)	26600 AGOURA RD, CALABASAS 91302	10,346	9,829	LEASED	NONE
6247	WHITEMAN AIRPORT-ADMIN BLDG	12653 OSBORNE ST, PACOIMA 91331	4,657	3,795	OWNED	NONE
A502	PH-CHILDREN'S MEDICAL SVCS CTR (FOOTHILL CTR	12502 VAN NUYS BLVD, PACOIMA 91331	6,664	5,577	LEASED	NONE



## **FACILITY LOCATION POLICY ANALYSIS**

**Proposed lease renewal:** Seven-year lease amendment for the Department of Public Social Services – 21415-21615 Plummer Street, Chatsworth – 5<sup>th</sup> District. There is a County cancellation right at the 60<sup>th</sup> month.

**A. Establish Service Function Category –** Regional and local public service function.

**B. Determination of the Service Area –**The proposed lease renewal amendment will allow DPSS to continue to provide the West Valley Region II office located in this Service Planning Area 2.

**C. Apply Location Selection Criteria to Service Area Data**

- Need for proximity to service area and population: DPSS programs are most effective when located in the same geographic area as their consumers, providers and stakeholders. This location meets the service area criteria and remains in the desired area.
- Need for proximity to existing County facilities: It is DPSS' desire to collaborate with County Department partners, such as the Departments of Children and Family Services and Mental Health whenever possible. The subject facility is located within five miles of other offices housing Departments of Mental Health, Children and Family Services, Child Support Services, and the Sheriff's Department.
- Need for proximity to Los Angeles Civic Center: N/A
- Economic Development Potential: N/A
- Proximity to public transportation: The location is adequately served by local transit services including bus service and the Metro Orange line serving the west San Fernando Valley.
- Availability of affordable housing for County employees: The surrounding area provides for affordable housing and rental opportunities.
- Use of historic buildings: N/A

- Availability and compatibility of existing buildings: Although there is County-owned space at 14545 Lanark Street, Panorama City, it does not meet the Department's needs to service clients within Service Planning Area 2 because it is nine miles east of the Chatsworth location. Staff from the Lanark facility transferred to the Plummer facility when initially leased.
- Compatibility with local land use plans: The Department of Public Works inspected the facility and found it suitable for County occupancy. Notification letters have been sent pursuant to Government Code Sections 25351 and 65402.
- Estimated acquisition/construction and ongoing operational costs: The initial maximum annual rent is \$3,849,300. Rental costs for DPSS are currently 92.3 percent funded by State and federal funds and 7.7 percent net County cost.

#### **D. Analyze results and identify location alternatives**

Based upon the space and service needs of DPSS, staff surveyed the immediate area to determine the availability of comparable and more economical site alternatives.

Based upon a review of available industry data, staff has established that the annual rental range for similar space is between \$20.40 and \$36.60 per square foot per year on a full-service gross basis, i.e., excluding parking. Thus, the base annual rent of \$23.40 per square foot per year full-service gross, including parking, for the proposed lease amendment represents a rate within the market range for the area.

#### **E. Determine benefits and drawbacks of each alternative based upon functional needs, service area, cost and other Location Selection Criteria**

The renewal of the subject lease amendment for DPSS will provide adequate office space for their employees and efficient space for on-site service to clients, which is consistent with the County's Facility Location Policy, adopted by the Board of Supervisors on July 24, 2012. The cost of comparable sites was higher per square foot and would require additional tenant improvements that would drive the rent up further.

**SECOND AMENDMENT TO LEASE AND AGREEMENT**  
**(LEASE NO. 72796)**

This SECOND AMENDMENT TO LEASE AND AGREEMENT ("Second Amendment") dated for reference purposes only as of October 11, 2016, is entered into by and between GECMC 2005-C2 Plummer Office Limited Partnership, a Delaware limited partnership ("Lessor"), and COUNTY OF LOS ANGELES, a body politic and corporate ("Lessee").

**R E C I T A L S :**

A. Lessor and Lessee are parties to that certain Lease and Agreement dated June 20, 2000 ("Original Lease"), by and between CTF-17 Chatsworth LLC ("CTF"), as lessor, and Lessee, as lessee, as amended by that certain Amendment No. 1 to Lease No. 72796 dated March 16, 2010 ("First Amendment"), by and between NNN Chatsworth Business Park, LLC, and various other lessor parties acting by and through Triple Net Properties Realty, Inc. ("NNN"), as successor-in-interest to CTF, as lessor, and Lessee, as lessee. (The Original Lease, as amended by the First Amendment and this Second Amendment, is hereinafter referred to as the "Lease".)

B. Lessor, as successor-in-interest to NNN under the Lease, is currently leasing to Lessee those certain premises containing approximately 164,500 rentable square feet in the aggregate ("Premises"), comprised of approximately 97,280 rentable square feet located in the building commonly known as 21415 Plummer Street, Chatsworth, California ("21415 Plummer Building"), and approximately 67,220 rentable square feet located in the building commonly known as 21615 Plummer Street, Chatsworth, California ("21615 Plummer Building"), as more specifically described in the Lease. (The 21415 Plummer Building and 21615 Plummer Building are collectively referred to hereinafter as the "Buildings".)

C. The term of the Original Lease as amended by the First Amendment expired as of March 15, 2016 ("Current Expiration Date"), and Lessee is currently in month-to-month holdover of the Premises ("MTM Tenancy"). Lessor and Lessee now desire to extend the term of the Lease and further amend the Lease as set forth hereinafter.

**A G R E E M E N T :**

NOW, THEREFORE, in consideration of the foregoing Recitals, the mutual covenants and agreements contained in this Second Amendment and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lessor and Lessee hereby agree as follows:

1. Extended Term. Lessor and Lessee agree that the term of the Lease is hereby extended commencing as of the date of approval and adoption of this Second Amendment by the Board of Supervisors of the County of Los Angeles (the "Extended Term Commencement Date"), such that it shall expire as of the last day of the eighty-fourth (84<sup>th</sup>) full calendar month following the Extended Term Commencement Date ("Extended Term Expiration Date"), unless sooner terminated in accordance with the terms of the Lease. (The approximately eight-four (84) month period commencing as of the Extended Term Commencement Date and ending as of the Extended Term Expiration Date is hereafter referred to as the "Extended Term".) No such extension shall operate to release Lessee from liability for any amounts owed or defaults in existence under the Lease prior to the Extended Term Commencement Date.

2. Rent. During the MTM Tenancy, Lessee shall pay rent on the same terms and conditions as Lessee was obligated to pay rent during the year preceding the Current Expiration Date. Commencing

as of the Extended Term Commencement Date and continuing for the duration of the Extended Term, Lessee shall pay monthly installments of rent according to the following schedule:

<u>Months of Extended Term</u>	<u>Monthly Installment of Rent</u>
1 – 12	\$320,775.00
13 – 24	\$330,398.25
25 – 36	\$340,310.20
37 – 48	\$350,519.50
49 – 60	\$361,035.09
61 – 72	\$371,866.14
73 – 84	\$383,022.13

3. Condition of Premises. So long as Lessee is not in default beyond any applicable cure period under the Lease, Lessor shall provide Lessee with up to \$7.50 per rentable square foot (i.e., up to \$1,233,750.00, based on the Premises containing 164,500 rentable square feet) ("Allowance"), which may be applied, subject to prior written notice by Lessee, (a) towards monthly payment of rent due at any time during the first eighteen (18) months of the Extended Term, and/or (b) towards the cost of improvements to the Premises pursuant to mutually acceptable plans and pricing, utilizing Building standard quantities, materials and finishes. If Lessee elects to apply the Allowance towards payment of the cost of constructing improvements to the Premises, Lessee shall identify in writing the items that Lessee desires to be constructed ("Tenant Improvements" and/or "Tenant Improvement Work"), whereupon Lessor shall construct the Tenant Improvements, subject to application of the Allowance and Lessee's payment of any Excess (as defined below). Lessor shall charge a fee for the services of its third-party construction manager in an amount equal to two percent (2%) of the total cost of the Tenant Improvements, which Lessor shall be permitted to deduct from the Allowance. Lessor shall submit an estimate of the cost to construct the Tenant Improvements, whereupon Lessee shall pay the amounts in excess of the Allowance, if any ("Excess"). Lessor shall not be required to proceed with construction of the Tenant Improvements until Lessee has approved the estimate and paid the Excess. Throughout the course of the Tenant Improvement Work, if Lessor determines that there are any differences between the estimated cost and the actual cost of the Tenant Improvements, Lessor shall submit to Lessee an invoice for the additional Excess amounts, which shall be paid by Lessee within five (5) business days after Lessor's invoice to Lessee therefor. The amounts payable by Lessee hereunder shall constitute additional rent payable pursuant to the Lease, and the failure to timely pay the same after any applicable cure periods will constitute an event of default under the Lease. Notwithstanding the foregoing, Lessee, upon prior written notice to Lessor, shall have the option to obtain alternative bids for the Tenant Improvements to lower the cost therefor; provided, such bids shall be obtained from qualified contractors reasonably approved by Lessor and any such bids shall be subject to prior written approval by Lessor, and further provided that if Lessee approves the estimate obtained by Lessor or if Lessor commences construction of any portion of the Tenant Improvements, Lessee shall be deemed to have waived its right to obtain such alternative bids. Notwithstanding anything herein to the contrary, any portion of the Allowance which remains unused towards payment of Tenant Improvements and/or unapplied towards payment of rent as of the last day of the 18<sup>th</sup> full calendar month after the date of this Second Amendment shall be deemed waived, forfeited and no longer available to Lessee.

The Tenant Improvement Work shall be conducted in the Premises while Lessee is in occupancy thereof and paying rent under the Lease. Lessee agrees to cooperate with Lessor and to make the Premises reasonably available to Lessor and its contractors for the performance of such work. Lessee acknowledges that some interruptions and/or interference with Lessee's business may occur during the course of the Tenant Improvement Work, but agrees that no interruptions or inconveniences to Lessee or its business suffered as a result of the Tenant Improvement Work shall constitute an eviction of Lessee from the Premises, whether constructive or otherwise, and Lessee shall in no event be excused from paying the monthly installment of rent that it is scheduled to pay pursuant to the terms of the Lease. Lessor may or may not perform the Tenant Improvement Work during normal business hours. If the Tenant Improvement Work is performed after Lessee's business hours at Lessee's direction, Lessee shall pay to Lessor the additional costs, if any, to perform the Tenant Improvement Work after business hours. Lessor and Lessee shall cooperate and cause their respective employees, agents and contractors to cooperate with the respective other party during said period to expedite completion of the Tenant Improvement Work as well as to minimize any interference with Lessee's business operations in the Premises. Such cooperation by Lessee shall include, without limitation, moving, packing, and/or other temporary relocation of furniture and fixtures within the Premises at Lessee's expense.

Lessee hereby accepts the Premises in its current "AS-IS" condition. Except as otherwise set out in this Section 3, Lessor shall not be obligated to improve the Premises in any manner whatsoever or to otherwise provide funds for the improvement of the Premises in conjunction with this Second Amendment and the Extended Term.

4. Major Improvements. Lessor shall perform the following major improvements (collectively, "Major Improvements") during the Extended Term, if reasonably determined to be necessary by Lessor: (a) restripe and reslurry seal the parking lot serving the Buildings; (b) repair any roof leaks to the Buildings; and (c) repair the existing heating, ventilation and air-conditioning system serving the Premises. Subject to the last sentence of Section 9.A. of the Original Lease, said Major Improvements shall be performed by Lessor, without cost to Lessee.

5. Options. Lessee acknowledges and agrees that except for the Extension Option and Right to Terminate as defined below, Lessee has no options, rights of first offer and/or rights of first refusal under the Lease. Accordingly, the following provisions of the Lease are hereby deleted and deemed null, void and of no further force or effect: 1) Paragraph 2(B) of the Original Lease (Options to Renew) and 2) Paragraph 1(B) of the First Amendment (Option to Renew).

(a) Extension Option. Subject to Subsection (c) below, Lessor hereby grants to Lessee one (1) option ("Extension Option") to further extend the Extended Term of the Lease for an additional period of seven (7) years ("Option Term"), on the same terms, covenants and conditions as provided for in the Lease during the Extended Term, except for the amount of rent payable during the Option Term, which shall be as follows:

<u>Months of Option Term</u>	<u>Monthly Installment of Rent</u>
1 – 12	\$394,512.80
13 – 24	\$406,348.18
25 – 36	\$418,538.62

<u>Months of Option Term</u>	<u>Monthly Installment of Rent</u>
37 – 48	\$431,094.78
49 – 60	\$444,027.63
61 – 72	\$457,348.46
73 – 84	\$471,068.91

The Extension Option must be irrevocably exercised, if at all, by written notice ("Extension Notice") delivered to Lessor by Lessee's Chief Executive Officer no later than that date which is eight (8) months prior to the expiration of the Extended Term. Provided Lessee has properly and timely exercised the Extension Option, the Extended Term shall be extended by the Option Term, and all terms, covenants and conditions of the Lease shall remain unmodified and in full force and effect, except that: (i) rent shall be as set forth above; (ii) during the Option Term, Lessee shall not be entitled to any further allowance, abatements or other concessions as granted during the Extended Term; and (iii) there shall be no remaining options.

(b) Right to Terminate. During the Extended Term, Lessee shall continue to have the one-time Right to Terminate pursuant to Paragraph 4 of the First Amendment; however, Paragraph 4 of the First Amendment is hereby amended as follows: (i) the Early Termination Date shall be effective on the sixtieth (60<sup>th</sup>) month of the Extended Term, subject to 120 days prior written notice to Lessor; and (ii) the second sentence of Paragraph 4 is hereby deleted and replaced with the following: "No later than sixty (60) days after Lessor's receipt of Lessee's Termination Notice, Lessee shall pay to Lessor a termination fee (the "Termination Fee") equal to the unamortized costs (amortized over a period of seven (7) years on a straight-line basis, with interest thereon at seven percent (7%) per annum) of the Allowance and leasing commissions incurred by Lessor in connection with this Second Amendment."

(c) Options in General. As used in this Section 5(c) of this Second Amendment, the term "Option" has the following meaning: (i) the Extension Option pursuant to Section 5(a) above; and (ii) the Right to Terminate pursuant to Section 5(b) above. Each Option granted to Lessee is personal to the original Lessee executing this Second Amendment ("Original Lessee") and may be exercised only by the Original Lessee while occupying and leasing the entire Premises and without having assigned the Lease or sublet any portion of the Premises, and may not be exercised or be assigned, voluntarily or involuntarily, by any person or entity other than the Original Lessee. The Options are not assignable separate and apart from the Lease, nor may the Options be separated from the Lease in any manner, either by reservation or otherwise. Lessee will have no right to exercise any Option, and Lessee's exercise of any Option may be nullified by Lessor and deemed of no further force or effect, if Lessee is in default, beyond any applicable cure periods, of any monetary obligation or material non-monetary obligation under the terms of the Lease (or if Lessee would be in such default under the Lease but for the passage of time or the giving of notice, or both) as of Lessee's exercise of the Option or at any time after the exercise of any such Option and prior to the commencement of the Option event.

6. Notices.

(a) Lessor. Lessor's addresses for notices and payment of rent are hereby amended to provide as follows:

For notices:

GECMC 2005-C2 Plummer Office Limited Partnership  
c/o LNR Partners, LLC  
1601 Washington Avenue, Suite 700  
Miami Beach, Florida 33139  
Attn: Director of Real Estate

Payment of Rent:

GECMC 2005-C2 Plummer Office Limited Partnership  
c/o Chatsworth Business Park  
PO Box 740705  
Los Angeles, CA 90074-0705

(b) Lessee. Lessee's address for notices is hereby amended to provide as follows:

County of Los Angeles – Chief Executive Office  
Attn: Real Estate Division  
222 South Hill Street  
3<sup>rd</sup> and 4<sup>th</sup> Floor  
Los Angeles, CA 90012

7. Representations and Warranties. Lessee hereby represents, warrants, and agrees that: (1) there exists no breach, default, or event of default by Lessor under the Lease, or any event or condition which, with notice or passage of time or both, would constitute a breach, default, or event of default by Lessor under the Lease; (2) Lessor has performed any and all improvements required to be performed by it under the Original Lease and the First Amendment, and previously disbursed and/or otherwise paid to Lessee any and all tenant improvement allowance required to be disbursed and/or paid by Lessor under the Original Lease First Amendment, if any; (3) the Lease continues to be a legal, valid, and binding agreement and obligation of Lessee; and (4) Lessee has no current offset or defense to its performance or obligations under the Lease. Lessee hereby waives and releases all demands, charges, claims, accounts, or causes of action of any nature whatsoever against Lessor or Lessor's members, officers, employees or agents, including without limitation, any demands, charges, claims, accounts, and causes of action that have previously arisen out of or in connection with the Lease.

8. Brokers. Lessee hereby represents to Lessor that Lessee has dealt with no broker in connection with this Second Amendment other than Cushman and Wakefield of California, Inc., representing Lessor, and the Real Estate Division of the Chief Executive Office of the County of Los Angeles ("Lessee's Broker"), representing Lessee. Lessee and Lessor agree to indemnify, defend and hold the other party, its members, principals, beneficiaries, partners, officers, directors, employees, mortgagee(s) and agents, and the respective principals and members of any such agents, harmless from and against any and all claims of any broker claiming to have represented the indemnifying party in connection with this Second Amendment other than Lessee's Broker. Any fees or commission due to Lessee's Broker shall be determined only pursuant to a separate, written agreement between Lessor and Lessee's Broker.

9. CASp Disclosure. For purposes of Section 1938 of the California Civil Code, Lessor hereby discloses to Lessee that neither the Premises nor the Buildings have undergone inspection by a Certified Access Specialist (CASp). If the governmental authority which is responsible for issuing permits or approvals ("Permitting Authority") for the work undertaken by Lessor pursuant to this Second Amendment ("Lessor's Work") requires that any portion of the project of which the Premises are a part must be modified in order to comply with current accessibility laws ("Accessibility Work") or the Permitting Authority otherwise requires Accessibility Work to be undertaken in order to issue permits or approvals for Lessor's Work, then the cost of the Accessibility Work shall be for the sole account of Lessor and shall not be deducted from the Allowance granted in Section 3 of this Second Amendment above.

10. Miscellaneous.

(a) Paragraph 34 of the Original Lease (Notice of Sale) is hereby deleted and deemed null, void and of no further force or effect.

(b) This Second Amendment sets forth the entire agreement between the parties with respect to the matters set forth herein. There have been no additional oral or written representations or agreements.

(c) Submission of this Second Amendment by Lessor is not an offer to enter into this Second Amendment but rather is a solicitation for such an offer by Lessee. Lessor shall not be bound by this Second Amendment until Lessor has executed and delivered the same to Lessee.

(d) Each signatory of this Second Amendment on behalf Lessee represents hereby that he or she has the authority to execute and deliver the same on behalf of the party hereto for which such signatory is acting.

(e) Each party hereto acknowledges that (i) each party hereto is of equal bargaining strength; (ii) each such party has actively participated in the drafting, preparation and negotiation of this Second Amendment and the transactions contemplated herein; and (iii) any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Second Amendment or any portion hereof.

(f) Lessor and Lessee agree that except as otherwise specifically modified in this Second Amendment, the Lease has not been modified, supplemented, amended, or otherwise changed in any way and the Lease remains in full force and effect between the parties hereto. To the extent of any inconsistency between the terms and conditions of the Original Lease as amended by the First Amendment and the terms and conditions of this Second Amendment, the terms and conditions of this Second Amendment shall apply and govern the parties. Under no circumstances shall Lessee be entitled to any rent abatement, improvement allowance, leasehold improvements, or other work to the Premises, or any similar economic incentives that may have been previously provided to Lessee in connection with entering into the Original Lease or the First Amendment.

(g) Capitalized defined terms which are used in this Second Amendment, if not otherwise defined, shall have the meanings given to them in the Original Lease or the First Amendment, as applicable.

(h) This Second Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which, together, shall constitute one and the same Second Amendment.




IN WITNESS WHEREOF, the parties have executed this SECOND AMENDMENT TO LEASE AND AGREEMENT as of the date set forth above.

LESSOR:

GECMC 2005-C2 PLUMMER OFFICE LIMITED  
PARTNERSHIP, a Delaware limited partnership

By: GECMC 2005-C2 PLUMMER OFFICE GP, LLC,  
a Delaware limited liability company,  
its general partner

By: LNR Partners California Manager, LLC.,  
a California Limited Liability Company,  
its manager

By:   
Name: Steven D. Ferreira  
Its: Vice President

LESSEE:

ATTEST:


LORI GLASGOW

Executive Officer-Clerk  
of the Board of Supervisors

By:   
**DEPUTY**



COUNTY OF LOS ANGELES,  
a body corporate and politic

By:   
Chair, Hilda L. Solis

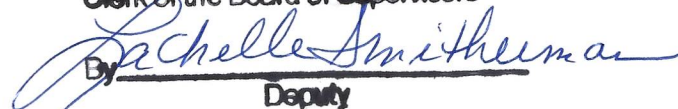
I hereby certify that pursuant to  
Section 25103 of the Government Code,  
delivery of this document has been made.

APPROVED AS TO FORM:

Mary Wickham, County Counsel

By:   
Deputy


LORI GLASGOW  
Executive Officer  
Clerk of the Board of Supervisors

By:   
Deputy

**ADOPTED**  
BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

# 12

OCT 11 2016

  
LORI GLASGOW  
EXECUTIVE OFFICER

72796 Supplement No. 2